

<b>Subject:</b>	Primary Care Finance Report as at Month 8 2017/18
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<b>Submitted To:</b>	NHS West Norfolk CCG Primary Care Commissioning Committee 15 <sup>th</sup> December 2017
<b>Purpose of Paper:</b>	Discussion and Information

**Summary:**

This report provides an overview of the CCG's year to date financial position in respect of delegated budgets for Primary Care (GP) services.

The year to date position at Month 8 is underspent reflecting usage of reserves to partially mitigate investment in 2017/18 Local Enhanced Services (LES) held within the CCGs own Primary Care budgets.

There remains some limited financial risks within 2017/18 such as premises cost increases and activity risks within contracts i.e. list size growth. The overall risk however is currently considered immaterial and as such the CCG's forecast outturn position only reflects the full year release of reserve for LES mitigation.

**Recommendation:**

The Primary Care Commissioning Committee is asked to note the Month 8 Financial Position and risks to delivery of balance against the delegated budget for primary care services.

## 1. Introduction

The CCG's delegated allocation from NHS England for Primary Care GP services totals £28,111k for 2017/18.

This report outlines the financial position against delegated budgets as at Month 8 and highlights key risks to delivery of balance against these budgets in 2017/18.

## 2. Summary Financial Position to Month

The overall position as at Month 8 is an underspent position as summarised in the table below.

Row Labels	Sum of In Month Budget £	Sum of In Month Actual £	Sum of In Month Variance £	Sum of YTD Budget £	Sum of YTD Actual £	Sum of YTD Variance £	Sum of Annual Budget £
Contractual	1,501,897	1,493,535	-8,362	11,980,264	11,971,435	-8,829	17,959,805
Enhanced Services	41,443	37,801	-3,642	412,402	412,589	187	650,480
Other - GP Services	283,111	293,581	10,470	2,325,014	2,335,644	10,630	3,542,800
Other Reserves	39,718	0	-39,718	317,744	0	-317,744	638,455
Premises Cost Reimbursements	177,651	171,192	-6,459	1,942,208	1,940,104	-2,104	2,672,800
QOF	154,263	154,455	192	1,234,102	1,235,637	1,535	2,646,660
TPS & Pension	0	-0	-0	0	-0	-0	0
<b>Grand Total</b>	<b>2,198,083</b>	<b>2,150,563</b>	<b>-47,520</b>	<b>18,211,734</b>	<b>17,895,408</b>	<b>-316,326</b>	<b>28,111,000</b>

The £316k year to date favourable variance is a direct result of the release of £317k reserves to partially mitigate the 2017/18 investment in Local Enhanced Services. The spend associated with this investment is shown within the CCGs own programme budgets within Primary Care. Other areas of Delegated Primary Care spend are therefore on budget.

Appendix A gives a brief description of each category of spend for reference and Appendix B reports the M08 year to date position by practice.

## 3. Key Financial Risks in 2017/18

The key risks to delivery of financial balance within delegated primary care budgets in 2017/18 are outlined below, alongside potential mitigations:

Risk	Mitigation
Over-performance on activity-related budgets such as enhanced services and QOF and list size adjustments.	Budgets are set based on historic delivery, which reduces the risk of material overspend.
Exceptional payments relating to individual practices (e.g. locum cover, support for practices in difficulty)	The 2017/18 budgets include a reserve for such costs. Local policies are to be developed to ensure consistency of approach to exceptional circumstances.

**Appendix A**

Brief descriptions of each category of spend are as follows:

- **Contractual payments** contains General Practice GMS, PMS and other list based services relating to contract and list size driven budgets allocated to practice level. They include global sum, MPIG, contract values, transitional payments, PMS premium/growth and seniority budgets. These budgets, with the exception of the PMS premium treatments are driven by contractual obligations.
- **Enhanced Services** are budgeted on the basis of historic achievement for the ad-hoc smaller payments or recognising the potential full achievement for those which are list size/patient driven for the practices that have signed up to the particular services, e.g. extended hours. Payment is based upon achievement so variances against budget can occur.
- **Other – GP Services** include budgets and payments for dispensing & prescribing professional fees and locum allowances such as for maternity & paternity cover. Budgets for the locum allowances are not allocated at practice level at the start of the year as claims can be difficult to forecast.
- **Premises cost** reimbursements include budgets for rent, rates and water charges. Premises budgets are also allocated on a contractual basis and have very little scope for local influence other than through commissioner decisions around future investments in buildings or estate rationalisation.
- **Quality Outcomes Framework (QOF)** aspiration payments are based upon 70% of the previous year's achievement adjusted for year on year points and price changes. Budgets are set in line with this and pro rata to reflect final forecast achievement. As payment is based upon actual achievement this means that the CCG may have a financial risk or benefit depending on future practice achievement.
- **Reserves** includes budgets for anticipated list size changes, premises rent increases etc. as well as some central budgets such as Clinical Waste, Occupational Health Contracts, Translation Services and CQC Fees.

**Appendix B – Practice analysis at 30 November 2017**

Row Labels	Sum of YTD Budget £	Sum of YTD Actual £	Sum of YTD Variance £	Sum of Annual Budget £
<b>☒ PMS</b>	<b>6,835,445</b>	<b>6,843,670</b>	<b>8,225</b>	<b>10,442,125</b>
D82021 - HUNSTANTON SURGERY	100	55	-45	100
D82035 - UPWELL HEALTH CENTRE	1,102,453	1,101,769	-684	1,705,925
D82044 - VIDA HEALTHCARE	2,997,985	3,004,071	6,086	4,584,860
D82051 - ST JAMES MEDICAL PRACTICE	1,416,089	1,419,578	3,489	2,138,380
D82099 - SOUTHGATES	1,318,818	1,318,197	-621	2,012,860
<b>☒ GMS</b>	<b>9,942,525</b>	<b>9,935,998</b>	<b>-6,527</b>	<b>15,292,480</b>
D82010 - GRIMSTON MEDICAL CENTRE	580,168	578,242	-1,926	901,900
D82015 - BRIDGE STREET SURGERY PE38 9DH	791,548	791,500	-48	1,225,940
D82027 - HEACHAM GROUP PRACTICE	808,928	808,698	-230	1,239,180
D82043 - WATLINGTON MEDICAL CENTRE	658,470	657,575	-895	1,019,820
D82049 - LITCHAM HEALTH CENTRE	487,940	487,662	-278	752,920
D82057 - CAMPINGLAND SURGERY	765,715	764,565	-1,150	1,192,600
D82065 - MANOR FARM MEDICAL CENTRE	860,340	859,772	-568	1,309,640
D82068 - HOWDALE SURGERY	702,358	702,845	487	1,083,000
D82070 - GREAT MASSINGHAM SURGERY	821,600	822,500	900	1,254,960
D82072 - BURNHAM SURGERY PE31 8DH	558,886	559,342	456	855,500
D82079 - FELTWELL SURGERY	582,804	582,166	-638	903,600
D82105 - ST CLEMENTS SURGERY PE34 4LZ	699,320	697,917	-1,403	1,068,040
D82604 - BOUGHTON SURGERY	346,290	346,311	21	537,440
D82618 - WOOTTON SURGERY	402,102	402,260	158	616,900
D82621 - PLOWRIGHT MEDICAL CENTRE	876,056	874,644	-1,412	1,331,040
<b>☒ APMS</b>	<b>990,092</b>	<b>989,158</b>	<b>-934</b>	<b>1,513,040</b>
Y00297 - THE HOLLIES SURGERY PE38 9JE	403,856	403,378	-478	617,700
Y03222 - ST JOHNS SURGERY PE14 7RR	586,236	585,780	-456	895,340
<b>☒ Other Allocated Budgets</b>	<b>125,928</b>	<b>126,582</b>	<b>654</b>	<b>224,900</b>
000000 - Default	125,928	126,582	654	224,900
<b>☒ Other Reserves</b>	<b>317,744</b>	<b>0</b>	<b>-317,744</b>	<b>638,455</b>
000000 - Default	317,744	0	-317,744	638,455
<b>Grand Total</b>	<b>18,211,734</b>	<b>17,895,408</b>	<b>-316,326</b>	<b>28,111,000</b>

*Please note:*

*Other allocated budgets are budgets that have been given to the CCG that were previously held by NHSE. These costs will still be incurred by NHSE (for example Waste Disposal) and then recharged to the CCG to be matched to these budgets. These are not surplus budgets available for general use.*

*Other reserves are earmarked and unallocated reserves.*

**Agenda Item: 17.113**